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**A STUDY ON THE CHALLENGES OF KEY PERFORMANCE
INDICATOR (KPI) SETTING FACED BY HEAD OF
DEPARTMENT IN THE HOTEL INDUSTRY**

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THE ABSTRACT

Abstract

Key performance indicators, or KPIs for short, are quantitative, measurable metrics that are used to monitor a target's progress. Key performance indicators assist businesses in assessing their advantages and disadvantages, making data-driven choices, and maximizing performance. Key performance indicators are values or measures used in the hotel industry to assess how well a certain section of hotel operations is performing, or how well the property is performing overall. They guarantee unmistakable sight into the viability and functionality of your company in the hotel industry. This study is to determine the challenges for the Head of Departments to set the key performance indicators for employees. A selected sample of Head of Departments from Penview Hotel and Convention were given questionnaire to answer by Google form. The questionnaire result determined the most challenge faced by the Head of Departments of Penview Hotel and Convention to set the Key Performance Indicators for their employees.

Abstrak

Penunjuk prestasi utama, atau ringkasnya KPI, ialah metrik kuantitatif dan boleh diukur yang digunakan untuk memantau kemajuan sasaran. Penunjuk prestasi utama membantu perniagaan dalam menilai kelebihan dan kekurangan mereka, membuat pilihan berdasarkan data dan memaksimumkan prestasi. Penunjuk prestasi utama ialah nilai atau ukuran yang digunakan dalam industri hotel untuk menilai prestasi bahagian tertentu operasi hotel, atau prestasi hartanah secara keseluruhan. KPI menjamin penglihatan yang jelas tentang daya maju dan kefungsi syarikat anda dalam industri hotel. Kajian ini adalah untuk menentukan cabaran Ketua Jabatan untuk menetapkan petunjuk prestasi utama pekerja. Sampel terpilih adalah Ketua Jabatan daripada Penview Hotel and Convention telah diberi soal selidik untuk dijawab melalui borang Google. Keputusan soal selidik menentukan cabaran paling banyak dihadapi oleh Ketua Jabatan Penview Hotel and Convention untuk menetapkan Petunjuk Prestasi Utama untuk pekerja mereka.

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CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

This chapter focuses on the background of study which is the challenges faced by Head of Departments for setting of Key Performance Indicator. By using this survey, it can be determine with the research background, followed by the problem statement, hypothesis of the study, research questions, research objectives, scope of study, significant of the study and lastly the definition of terms and concepts used in this study. This chapter provides overview of study. The whole study will be summarized in the last chapter. It is an important chapter because it will provide a summary of the research that has been done to make this study a success.

1.1 BACKGROUND OF THE STUDY

According to Perl and Memmert (2017), Key performance indicators (KPIs) are designed to translate the behavior of complex systems into a single number that can be used to scale, rate, and rank systems or individual system components. Key Performance Indicator is to drive performance and make sure they are getting the most out of the company most significant investment which is their employees. By assessing employee productivity, building organizational alignment, and exceeding your business objectives, the appropriate set of employee performance metrics may help the performance management. By employing a great set of KPIs for employee performance management can improve employee performance, enhance net profit margin and other financial indicators, and give employees a feeling of purpose in the organization's culture. The success of a specific area of hotel operations, or the entire property, is measured using KPIs for the hospitality sector.

In an organization, the department head plays a crucial leadership function, supervising the direction and activities of a particular department. They are essential in establishing the department's general strategy, goals, and objectives in addition to making sure everything operates well. Through team building, supervision, and staff training, they help with the day-to-day operations. A Head of Department typically comes from within the organization or has previous relevant expertise, and they are well-versed in the organization's regulations and standards. Department heads are required to make strategic decisions that propel the expansion and success of the organization by having a thorough awareness of the roles and operations within their departments. They are essential in leading their department to accomplish the objectives established by the organization and in organizing and interacting with cross-functional teams.

CHAPTER 2

LITERATURE REVIEW & CONCEPTUAL FRAMEWORK

2.0 INTRODUCTION

In this chapter, materials such as journal articles, published articles, books, and other relevant sources that are related to challenges to set KPI will be analyzed. This chapter is important to give an overview of sources that have been study. It may be used to give knowledge to readers or any company's top management how good planning to set KPI can leads to good outcomes. Because KPIs that don't support and align with the goals of management run the risk of being unfit for purpose and failing to assist management in carrying out the strategy and achieving the objectives of the organization. Analyzing corporate objectives, defining pertinent KPIs, and creating a portfolio of initiatives, projects, and programs to meet predetermined goals and targets are all important steps in an efficient strategic planning process.

2.1 LITERATURE REVIEW

2.1.1 Key Performance Indicator (KPI)

To enhance the most effective management of organizational performance, this study will establish KPIs and categorize them based on performance measures. KPI can change behavior in the organization and provide results in broad contexts for example improving business results or driving improved operational performance. KPIs also help in implementing performance measurement on an ongoing basis. KPIs are a management tool or instrument that allows for the monitoring, control, and assurance of an activity or process in order to ensure the achievement of the desired performance. Using the KPIs method is one way to get good indicators for employee performance reviews. Implementing a sound maintenance strategy in accordance with what has been determined will be necessary for successful implementation.

The term "Key Performance Indicators" (KPIs) refers to both non-financial and financial metrics used by organizations to assess their performance in achieving long-term objectives as per Dragana Velimirović (2011). It is a group of measurable key indicators that reveal how well an organization is achieving its strategic objectives. The most important thing is to choose the indicators that will be measured appropriately. Establishing a business's process structure is essential to implementing an efficient system or tracking performance using KPIs according to Velimirović (2011).